



11W AF

PTO/SB/21 (01-08)  
Approved for use through 05/31/2008. OMB 0651-0031  
U.S. Patent and Trademark Office; U.S. DEPARTMENT OF COMMERCE

Under the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number.

## TRANSMITTAL FORM

(to be used for all correspondence after initial filing)

Total Number of Pages in This Submission

9

Application Number

09/578085

Filing Date

May 24, 2000

First Named Inventor

Richard Palmeri

Art Unit

3628

Examiner Name

Poinvil, Frantzy

Attorney Docket Number

1029-03

### ENCLOSURES (Check all that apply)

☐

Fee Transmittal Form

☐

Fee Attached

☐

Amendment/Reply

☐

After Final

☐

Affidavits/declaration(s)

☐

Extension of Time Request

☐

Express Abandonment Request

☐

Information Disclosure Statement

☐

Certified Copy of Priority Document(s)

☐

Reply to Missing Parts/  
Incomplete Application

☐

Reply to Missing Parts  
under 37 CFR 1.52 or 1.53

☐

Drawing(s)

☐

Licensing-related Papers

☐

Petition

☐

Petition to Convert to a  
Provisional Application

☐

Power of Attorney, Revocation  
Change of Correspondence Address

☐

Terminal Disclaimer

☐

Request for Refund

☐

CD, Number of CD(s) \_\_\_\_\_

☐ Landscape Table on CD

☐

After Allowance Communication to TC

☐

Appeal Communication to Board  
of Appeals and Interferences

☒

Appeal Communication to TC  
(Appeal Notice, Brief, Reply Brief)

☐

Proprietary Information

☐

Status Letter

☐

Other Enclosure(s) (please identify  
below):

Remarks

### SIGNATURE OF APPLICANT, ATTORNEY, OR AGENT

Firm Name

Frank A. Cona

Signature

Printed name

Frank A. Cona

Date

May 6, 2008

Reg. No.

38,412

### CERTIFICATE OF TRANSMISSION/MAILING

I hereby certify that this correspondence is being facsimile transmitted to the USPTO or deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on the date shown below:

Signature

Typed or printed name

Frank A. Cona

Date

May 6, 2008

This collection of information is required by 37 CFR 1.5. The information is required to obtain or retain a benefit by the public which is to file (and by the USPTO to process) an application. Confidentiality is governed by 35 U.S.C. 122 and 37 CFR 1.11 and 1.14. This collection is estimated to 2 hours to complete, including gathering, preparing, and submitting the completed application form to the USPTO. Time will vary depending upon the individual case. Any comments on the amount of time you require to complete this form and/or suggestions for reducing this burden, should be sent to the Chief Information Officer, U.S. Patent and Trademark Office, U.S. Department of Commerce, P.O. Box 1450, Alexandria, VA 22313-1450. DO NOT SEND FEES OR COMPLETED FORMS TO THIS ADDRESS. SEND TO: Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450.

If you need assistance in completing the form, call 1-800-PTO-9199 and select option 2.



IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Art Unit : 3628  
Examiner : Poinvil, Frantzy  
Serial No. : 09/578,085  
Filed: : May 24, 2000  
Inventor : Richard Palmeri Docket: 1029-03  
Title : SYSTEM FOR ELECTRONIC  
: RE-ALLOCATION OF A  
: TRANSACTION AMOUNT TO  
: AN INVESTMENT Dated: May 6, 2008

---

**REPLY BRIEF**

MS Appeals  
Commissioner for Patents  
P. O. Box 1450  
Alexandria, VA 22313-1450

Sir:

Appellants hereby submit this short Reply Brief to the Board of Patent Appeals and Interferences in response to the Examiner's Answer filed on March 6, 2008 under 37 CFR 41.41. The Examiner's answer does not raise any new ground of rejection and there has been no remand of this appeal. The Applicant is voluntarily submitting this Reply Brief to respond to points raised by the Examiner in his Answer.

**I. STATUS OF THE CLAIMS**

Claims 30-58 are pending in the instant application. Claims 30-58 stand rejected under 35 U.S.C. §103(a) as allegedly being obvious over U.S. Patent No. 5,621,640 to Burke ("Burke") in view of published International Application No. WO 94/04979 to Hartt et al ("Hartt").

**II. GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL**

Appellant respectfully requests that the Board review and overturn the rejection in this case. The following issue is presented on appeal in this case: whether Claims 30-58 are obvious over Burke in view of Hartt.

### III. ARGUMENT

In his Answer, while mischaracterizing the Applicant's arguments, the Examiner again fails to address the fundamental fact that his most recent prior art iteration of Burke with Hartt et al fails to disclose, teach, or suggest (among others discussed in the Applicant's Appeal Brief) the positively recited structural/functional aspect of the claimed invention that "a portion reallocated **from said transaction amount**" is electronically distributed from the user account to the vendor account and from the vendor account to the user trust account, and then is placed in a user investment vehicle for the user.

The Examiner contends that the difference between the claimed invention and Burke isn't patentable "because any of the involved parties may desire to make the extra payment for the benefit of the customer as for marketing purposes and also as a manner to attract customers to the vendors' place of business."

However, the Examiner's reasoning fails for two significant reasons. First, it ignores the plainly recited language of the claims which require a portion of the transaction amount, not an extra payment – which by definition is in addition to the transaction amount, i.e., **not** a portion of the transaction amount.

In addition to the clear understanding to one of ordinary skill of this definition of "a portion of said transaction amount" based upon the commonly understood meaning of those terms and recitals in the claims themselves (e.g., "A method of electronically reallocating a

portion of a transaction amount in a transaction between a user and a vendor” and “initiating said transaction for said transaction amount”), this understanding is further supported by the Specification which discusses that one of the primary advantages of the claimed invention is that it allows individuals to put money into their own investments *without the need to outlay extra money*. Instead, the vendor would agree to allocate a portion of the sale price for the investment. By making the re-allocation of a portion of the transaction price come directly from the vendor's sale price, the transaction is *invisible* to the user, and does not require him/her to invest his/her own funds.

It is well established that the claims must be given their broadest reasonable interpretation based upon the plain meaning of the terms to one of ordinary skill, how they are used and/or defined in the claims, and how they are read in light of the Specification. These factors cannot be ignored to ascribe to the claims a directly contrary meaning.

Thus the basis recited by the Examiner first and foremost does not properly address the invention as actually recited in the claims. It is not understood why the Examiner still does not address this fundamental recitation in the claim and instead focusses on the disclosure in Burke of an extra payment on top of the transaction amount.

Secondly, even under the more recent clarification of the law set forth in *Teleflex*, this stark difference between the claimed invention and Burke / Hartt et al would not be obvious to one of ordinary skill. Certainly, the Examiner has not established a prima facie case of such obviousness.

The system disclosed in Burke is fundamentally contrary to this positively recited structural / functional aspect of the claimed invention. Burke expressly teaches away from reallocating a portion of the transaction amount, and instead requires the user to provide extra

funds – a significant problem that the claimed invention eliminates in the context of investment savings. The entire disclosure of Burke is directed toward providing an extra payment above the transaction amount, and the system disclosed in Burke is specifically designed to be used for processing additional payments above the transaction amount (and sending them to a charity, i.e., something *other* than an investment vehicle for the user – also teaching away from the invention and a combination with Hartt et al).

For example, Burke states in its Abstract of the invention that it is “An automatic donation system....[including] a calculator for determining the excess cash payment....a computer apportions at least a part of the excess cash payment...” [Emphasis added.]

In the Summary of the Invention and in Claim 1 Burke again requires a “calculating means in the cash register for determining existence of an excess cash payment” and “apportioning means....for apportioning at least a part of the excess cash payment...” to achieve the benefits of his invention. [Emphasis added.] See Claims 2-30 of Burke as well for their emphasis on processing an excess payment and not a portion of the transaction amount.

And, most tellingly, in the Detailed Description of Preferred Embodiments, Burke requires:

“In step 110, the clerk then enters the amount of the cash payment into the cash register. Under normal circumstances, the cash payment will equal or exceed the total price. However, the invention allows the donor to withdraw moneys from a credit balance in one of the accounts recorded in the central computer CC. While unlikely, this may also occur with a credit card sale. Thus, in some situations, the amount of cash may fall short of the total price. In step 114 the cash register determines if the amount of cash exceeds the total price.

If the answer is yes, the cash exceeds the sale price, the register CRx determines the amount of change by subtracting the price from the cash in step 117. If the answer is no, the cash does not exceed the sale price the register determines the amount due in step 120. In step 124, the cash register CRx asks whether the

customer has and wishes to use a donor card. The clerk or customer may respond by keyboard, or directly by entering the donor card into the card reader CDx.

If the customer does not have or does not wish to use a donor card in response to step 124, the cash register CRx prints the transaction in step 127 and, in step 130, prompts the clerk to make change or collect more cash. **If the customer does not offer any needed cash the clerk must abort or otherwise correct the transaction.**” Burke, Col. 3, line 49 to Col. 4, line 6. [Emphasis added.]

It is clear from the above that in the Burke system, the re-allocated amount must come from excess funds, because if only the amount of the transaction (or less) is offered, the transaction must be aborted or corrected. Thus, the function and structure of the Burke system does not allow for the reallocation of a portion of the transaction amount, as in the solicited claims. It must be a separate, excess payment.

The Burke system would have to be fundamentally modified contrary to its very purpose in order to achieve the claimed invention. As the Supreme Court warns in *Teleflex*, it is important to identify a reason that would have prompted a person of ordinary skill in the relevant field to combine the elements in the way the claimed new invention does. This is so because inventions in most, if not all, instances will be combinations of what, in some sense, is already known. The Examiner must demonstrate why it would be obvious to one of ordinary skill would make modifications contrary to the teachings of the prior art – and without hindsight benefit of the Applicant's disclosure.

The Examiner has not done so here. Instead, he has incorrectly equated Burke's requirement of an extra payment above the transaction amount (to a charity) with the Applicant's claimed reallocation from a portion of the transaction amount itself (to an investment vehicle for the user), which by definition is not the same. Thus the Examiner has provided no demonstration

whatsoever that it would be obvious to modify Burke in a direction directly contrary to its fundamental purpose and functionality.

He does not cite Hartt for this proposition, because it does not provide any motivation for this. He only (incorrectly) cites Hartt for the motivation to combine Burke with Hartt's system in order to achieve another positively recited aspect of the claims of electronically distributing the reallocated transaction amount from the vendor account to a trust account for placing in an investment for the user.

As noted in their background, the system of Hartt et al is related to a previous transactional system that allowed subscriber-purchasers to receive goods or services from a vendor by ordering them from a purchasing system and paying the purchase price to an escrow agent or a purchase processing center. The escrow agent or a purchase processing center paid the vendor the wholesale price for the goods or services and used the remainder of the funds in escrow to purchase an aggregate annuity policy from an insurance company. The insurance company computed and reported a rebate factor which guaranteed a specific rebate amount in the future. Hartt, page 1, lines 7-16.

As stated in the Applicant's response of June 14, 2004 to overcome Hartt the first time it was cited (and discussed in detail in the Applicant's Appeal Brief), "Hartt et al. do not teach or suggest electronically receiving at least a portion reallocated from the transaction amount from the vendor to the user account. In Hartt et al., the subscriber transaction information is transferred after the transaction, such as by using written records, magnetic files, or electronic data transfer. Thereafter, the processor calculates the rebate amount and has these funds transferred to the investment. (Page 3, lines 1-21.)"

Hartt does not specify where the funds for the rebate actually come from, but given that the rebate is based *indirectly* upon information obtained about the transaction, and is NOT reallocated from a vendor account, it is clear that it does not come from a portion reallocated from the transaction amount.

While the Examiner has mischaracterized the Applicant's arguments, the Examiner has never directly disputed this failing of Hartt et al to provide motivation to change Burke in this manner.

Thus, Burke's expressly contrary teachings and the failure of Hartt to speak at all on this key aspect of the invention demonstrate that the Examiner has not established a *prima facie* obviousness in his stated rejection, and that one does not, in fact, exist. Accordingly, we respectfully request that the rejection under 35 U.S.C. 103 be withdrawn.

#### **IV. CONCLUSION**

In view of the foregoing and the other failings of the prior art raised in the Applicant's Appeal Brief, it is again respectfully submitted that the Examiner erred in not allowing all claims pending in the present application, Claims 30-58, over the prior art of record. While the solicited claims are believed to be non-obvious even in light of *Teleflex* (decided after the filing of the Notice of Appeal in this case), in the event that the Board feels that *Teleflex* provides a modification of the longstanding TSM test, the Applicant respectfully requests that he be allowed to re-open prosecution to have an opportunity to present any further evidence if necessary to demonstrate the non-obviousness of the invention.

For the reasons set forth above, we respectfully submit that that disposition should be a prompt notice of allowance, which action is respectfully requested.



Respectfully submitted,

A handwritten signature in black ink that reads "Frank Cona". The signature is written in a cursive style with a large, stylized 'F' and 'C'.

Frank A. Cona  
Reg. No. 38,412  
Phone: (561) 632-0013  
Email: [frankcona2000@yahoo.com](mailto:frankcona2000@yahoo.com)  
138 Cape Pointe Circle  
Jupiter, FL 33477